This record is a partial extract of the original cable. The full text of the original cable is not available.

C O N F I D E N T I A L SECTION 01 OF 02 YEREVAN 000575

SIPDIS

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TAGS: PREL ECON ENRG AM RU SUBJECT: PUTIN VISIT DEMONSTRATES KOCHARIAN'S TIGHT HOLD ON

GOAM'S RELATIONS WITH MOSCOW

REF: A. A) YEREVAN 532

**1B.** B) YEREVAN 500

Classified By: Ambassador John Evans for reasons 1.5 (b,d).

SUMMARY

11. (C) President Robert Kocharian's spin doctors continue to portray the March 24-25 visit of Russian President Vladimir Putin as the most important official visit for the GOAM in recent memory. One week after Putin's whirlwind stop, however, GOAM contacts outside Kocharian's inner circle are hard pressed to tell us what (if any) deliverables came as a result of the trip. Despite indications from both sides that the 24-hour itinerary would focus on a broad range of economic discussions, the Armenians appear to have resisted economic discussions, the Armenians appear to have resisted Russian pressure on economic quesitons, while pulling out all the stops in terms of public professions of loyalty and friendship. It appears that Kocharian himself is managing the question of Russian involvement in the Iran-Armenia gas pipeline, and possibly other pending investments. End

GETTING EVERY MINUTE'S WORTH

- (C) President Robert Kocharian's spin doctors continue to portray the March 24-25 visit of Russian President Vladimir Putin as the most important official visit for the GOAM in recent memory. After successfully pressuring the Russians to agree to a Putin trip (ref b), Kocharian's team made sure that the city still bears the marks of the trip. Billboards announcing the opening of the "Year of Russia" in Armenia (the ostensible reason for the trip) line Yerevan's avenues and the jumboscreen television on the capital's main square carries a continuous loop of Kocharian and Putin shaking hands and cordially making their way about town. Publicity packets, including photos of the two leaders, were sent to regional governors and GOAM almost immediately following the trip, detailing its "great successes.'
- ¶3. (C) Russian diplomats in Yerevan have followed a similar strategy. Oleg Korobkov, Political Counselor of the Russian Embassy, was quick to portray the visit during meetings at the National Assembly on March 29-30 as "filled with initiatives and information.

MINISTRIES PARTICIPATE BUT REPORT LITTLE BEYOND PROTOCOL

(C) One week after Putin's whirlwind stop, GOAM contacts outside Kocharian's inner circle were hard pressed to tell us what (if any) deliverables came as a result of the trip. MFA "nothing tangible" coming from the visit other than
reassurances by the Russians of their interest in the region.
Presidential Senior Economic Advisor Vahram Nercissiantz, who participated in all but one of the meetings on Putin's schedule, told us on March 28 that there had not even been an official readout on the meetings and reportedly said there was little discussion beyond what was in the press reports on economic issues.

PIPLELINE, BUSINESS DISCUSSIONS BEHIND CLOSED DOORS

15. (C) According to reports from Deputy Minister of Energy Tosef Isayan, Kocharian had not briefed the Ministry on expected discussions related to the Iran-Armenia gas pipeline as late as March 31. Isayan said the two sides did discuss the issue, however, during the one-hour block of time they spent outside of formal meetings or press events. The fina press conference of March 29 (dominated by Putin's comments The final on the unfolding events in Kyrgyzstan) did not include specific mention of the pipeline. In an April 1 meeting, Minister of Energy Armen Movsesian told us that no new information about Gazprom's bid to build an in-country

extension of the pipeline came out of the meeting. He did comment that no party has seriously talked about extending the pipeline to Georgia, adding that "Russia doesn't want it, you (the U.S.) wouldn't want it: it is hard to see what is in it for us."

16. (C) Both Putin and Kocharian made repeated mention, however, of the opening of the Kavkaz-Poti ferry link as evidence of increased trade ties between the countries. Putin did make a somewhat vague pledge during the press conference to continue promoting Russian private businesses' role in Armenia's ongoing privatization of the energy and banking sectors. Comment: Putin's comment, on which he would not elaborate, left analysts wondering if the comment was made for the benefit of Antoliy Chubays and Ara Abrahamyan or if it was an indication of a more substantive deal in the works with Kocharian. End comment.

PUTIN GETS INTO THE WEEDS WITH CATHOLICOS

17. (C) During a meeting between Putin and Catholicos Karekin II (at which only two notetakers were present), Putin reportedly surprised the Catholicos by calling on him to pressure the GOAM (specifically Prime Minister Andranik Markarian and Yerevan municipality officials) to release a plot of land intended as the site for a Russian Orthodox church in Yerevan. The Catholicos' Senior Advisor told us that Putin framed the request as "the least Armenia could do" in light of Russia's "good care" of the large Armenian population in Moscow and other Russian cities.

COMMENT: KOCHARIAN IN CHARGE OF THIS PORTFOLIO

18. (C) Beyond the hype and posturing about cultural bonds, Putin's trip confirmed that most Armenia watchers already suspected: Kocharian -- and Defense Minister Sargsyan -- have a tight grip on the GOAM relationship with Moscow. Inside the GOAM, top officials whose portfolios include Russia are still unsure what Kocharian and Putin discussed. Outside the GOAM, political leaders who identify closely with Russia are at a loss for any information regarding the visit and have been virtually silent during meetings and press conferences. EVANS